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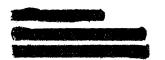
No. - THE FOREIGN INTELLIGENCE PROGRAM

(Prepared by the Central Intelligence Agency and concurred in by the Intelligence Advisory Committee)

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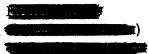
OBJECTIVES

1. National Security Act of 1947, as Amended:

For the purpose of coordinating the intelligence activities of the several Government departments and agencies in the interest of national security, it shall be the duty of the Agency, under the direction of the National Security Council—

- (1) to advise the National Security Council in matters concerning such intelligence activities of the Government departments and agencies as relate to the national security;
- (2) to make recommendations to the National Security Council for the coordination of such intelligence activities of the departments and agencies of the Government as relate to the national security;
- (3) to correlate and evaluate intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the Government using where appropriate existing agencies and facilities: Provided, That the Agency shall have no police, subpoena, law-enforcement powers, or internal-security functions: Provided further, That the departments and other agencies of the Government shall continue to collect, evaluate, correlate, and disseminate departmental intelligence: And provided further, That the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure;
- (4) to perform, for the benefit of the existing intelligence agencies, such additional services of common concern as the National Security Council determines can be more efficiently accomplished centrally;
- (5) to perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct.

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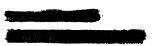


OBJECTIVES (Continued)

2. NSC 162/2, paragraph 10:

Develop and maintain an intelligence system capable of:

- (1) collecting and analyzing indications of hostile intentions that would give maximum prior warning of possible aggression or subversion in any area of the world;
- (2) accurately evaluating the capabilities of foreign countries, friendly and neutral as well as enemy, to undertake military, political, economic, and subversive courses of action affecting U.S. security;
- (3) forecasting potential foreign developments having a bearing on U.S. national security.



NO. - THE FOREIGN INTELLIGENCE PROGRAM

(This report states the most significant changes which occurred during the period 30 June-31 December 1953; it supplements the full report submitted 3 August 1953 as No. 9 in NSC-161.)

I. COORDINATION

- 1. When the IAC agencies concurred in the last report submitted, they pointed out that the effects of budget cuts then recently imposed on intelligence activities could not be assessed at that time. Since then, the agencies have experienced the effects of budget reductions and have been endeavoring to meet the situation by shifting assests or curtailing activities considered to be least urgent from the viewpoint of immediate requirements. The effect of this curtailment has not been completely apparent during the period under review. The most serious effects of budget cuts have been felt in the collection activities of the Foreign Service and even these are being met, at least partially, by alternative activities.
- 2. Collectively, the agencies, at the request of the Bureau of the Budget, have developed a suggested listing of categories of intelligence activities as an aid to the Bureau in its proposed budgetary analysis of intelligence programs. This analysis should, among other results, aid the agencies in their continuing appraisal of the costs of the foreign intelligence program.
- 3. Two Director of Central Intelligence Directives were issued, and one revised, with the concurrence of the IAC, during this period. DCID 7/1 establishes procedures for insuring that all non-governmental individuals offering foreign intelligence information are referred to CIA for exploitation in accordance with NSCID-7. DCID 3/5 refines procedures for the production of national intelligence estimates. DCID 4/2 was revised to include, in the priority list of critical national intelligence objectives. Soviet and Satellite capabilities and intentions for conducting clandestine attack by mass destruction weapons.

II. NATIONAL ESTIMATES

- 1. During the period of this report, the IAC approved nineteen national intelligence estimates. These estimates have been increasingly responsive to the requirements of the NSC Planning Board. For example, in large part as a result of the needs of the Planning Board for intelligence support in the formulation of policy, six national estimates were produced dealing with the Soviet Bloc. In addition, the NSC concern with the emergency situations in Korea and Indochina resulted in the production of one estimate on the former area and three on the latter.
- 2. The IAC undertook two pioneer-type estimates during the period of this report. The first of these was a general estimate of the world situation over a two year period. This was published in the third quarter of 1953. The second estimate of this type deals with the implications of increasing Soviet nuclear weapon capabilities on the policies of selected non-Communist countries. This estimate is scheduled for publication in the first quarter of 1954. Both of these estimates are designed to provide intelligence support for the NSC in its broad, long-range planning.
- 3. Another current effort is designed to relate more directly the work of collection and research activities to the needs of the policy makers for national intelligence. At the direction of the IAC, the Board of National Estimates is preparing recommendations for revising directives on national intelligence objectives.

III. POLITICAL, SOCIAL AND CULTURAL INTELLIGENCE

The quality of analysis by the staffs producing political, sociological and cultural intelligence has been fully maintained and even improved. In part, the pressure of demands on reduced staffs has been met by a stepping-up of the long-term trend toward the merging of economic, political, and sociological analysis in dealing with individual intelligence problems.

IV. MILITARY INTELLIGENCE

1. General

Currently, the Intelligence Community is seeking to exploit fully presently available intelligence techniques, both in production and in collection. Nevertheless, coverage remains inadequate in critical areas, such as: enemy war plans, early warning of attack, order of battle, enemy localised military and para-military intentions, military equipment development and production, guided missiles, tactical atomic weapons, and technical and scientific military developments. Substantial improvement in the military intelligence field will depend largely upon the increase in the scope and effectiveness of all intelligence collection operations and the development of new collection techniques, now being explored, against military intelligence targets.

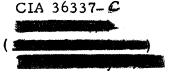
2. Operational Intelligence

The best source of intelligence concerning enemy units in Korea was cut off by the signing of the Armistice. Insufficient intelligence is available on the movement or location of Chinese armed forces. The augmentation of U.S. intelligence personnel in Viet Nam should result in some improvement in reporting from this area.

3. Targeting

Initial production of target materials for the highest priority Air Force targets is almost complete for the U.S.S.R. and is progressing satisfactorily for the Satellites and approach areas. Only about one-half of the comparable materials for highest priority Navy (all-weather) targets have been placed in production.

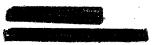
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V. ECONOMIC INTELLIGENCE

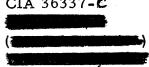
- 1. The recent revisions of economic policy and plans in the Soviet Bloc countries have led to an increase in the flow of Soviet and Satellite data on production, trade, and consumption. A considerable amount of these data was reported in absolute terms of production, trade, and consumption. These new data should permit improved estimates on rates of development and trends in particular sectors of the Bloc economies.
- 2. Intelligence needed for enforcement of economic defense measures has been improved during the last six months by the operation of interagency organization to (a) provide rapid collation and analysis of intelligence on illegal transactions with the Soviet Bloc, (b) speed the dissemination of intelligence to appropriate action agencies, and (c) improve the receipt of information on priority requests to the field.

VI.	SCIENTIFIC AND TECHNICAL INTELLIGENCE



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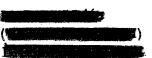


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VII. PSYCHOLOGICAL INTELLIGENCE

VIII. BASIC INTELLIGENCE

- 1. One-third of world-wide coverage, most of which is on the JCS high priority areas, is now complete.
- 2. Increasing emphasis is being given to revision of published NIS under the maintenance program, and to the production of Chapters I (Summary Brief).
- 3. The NIS Committee has authorized a survey of all NIS users for guidance in the long range development of the Program. The survey is now being conducted by the several IAC agencies.

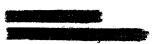


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IX. WARNING OF ATTACK

- 1. The enemy's choice of the type of attack and the origin of his attack greatly affect our early warning capability. We are largely dependent for early warning on radar and forward observation stations for furnishing information on air attack, in lieu of "inside" sources which in the past have frequently been available for warning that an enemy was about to decide to go to war. However, generally our advance warning largely depends on the sifting of masses of material in our search for those indications of enemy activity which suggest that they are taking measures to implement a decision to attack. We are exploiting all available sources of information and constantly striving to develop new and improved means of detection of attack.
- 2. In October 1953 the IAC established an ad hoc committee to review, in the light of the present international situation, the mission and operating procedures of the IAC Watch Committee. Progress has been made in revising the "mission and functions" of the Watch Committee, including detailed methods of operation and nature of support.



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XI. SUPPORT AND COLLATION FACILITIES

1. Library Facilities

Lexical inventories for most of the languages of intelligence interest, and annotated lists of intelligence serial publications produced by some of the member agencies, have been prepared.

2. Industrial Information

Indexing by tabulating machine methods to speed the analysis of data is two-thirds complete for the Soviet Union. Coding and indexing of end-product references was recently begun for East Germany, with China to follow.	25) 1

4. External Research

The External Research Staff, Department of State, is stepping up its function of apprizing the Intelligence Community of

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economic, political and related research on foreign areas sponsored by foundations, universities, and individual scholars. It is preparing periodical inventories of similar research sponsored by the Federal Government and reports on research on psychological and unconventional warfare.

The EIC has compiled an inventory of government sponsored external economic research projects on the Soviet Bloc for the period 1 January 1952 through 30 September 1953.

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